

## Department of

Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.

GARY R. HERBERT Lieutenant Governor

August 26, 2005

J. Conrad Pugh 1690 East Cannes Way Salt Lake City, Utah 84121

Subject: Second Notice - Delinquent Permit Fees - Further Mining is Suspended

Dear Mr. Pugh:

The Division has not received the annual permit fee payment(s) for the 2005 fiscal year, which were due on or before July 29, 2005 (see R647-2-101.6, R647-3-1-1.7, and R647-4-101.5). Non-payment of permit fees is a violation of the Minerals Regulatory Program and suspends an operator's authorization to conduct exploration or mining operations. **YOUR**AUTHORIZATION TO CONDUCT EXPLORATION OR MINING ACTIVITIES IS

SUSPENDED, UNTIL THIS BILLING REQUIREMENT IS RESOLVED. Permit fees are required until the site has been fully released in writing by the Division.

We have enclosed a "Delinquency Notice" billing statement along with this letter. Please return the bottom portion of your billing statement to ensure the payment is posted to the correct account. Operations may resume upon our receipt of the required fees. If you have already sent in your payment, please accept our thanks and disregard this notice.

The Division will allow you until September 9, 2005 to pay the delinquent permit fees before issuing a Notice of Violation for non-payment, which will carry a fine and penalty. Continuing mining activities before the fee is paid will result in a Cessation Order which carries a separate fine and penalty. Please be advised that fines and penalties are assessed for each separate violation.

We hope to avoid taking any enforcement action regarding the fee payments. Please: 1) submit your payment by September 9, 2005; 2) check the box, if the site is fully reclaimed and revegetated, thereby requesting a site inspection to close the file; or 3) contact me immediately at (801) 538-5358 or Joelle Burns at (801) 538-5291.

Sincerely,

Susan M. White

Mining Program Coordinator Minerals Regulatory Program

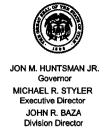
SMW:jb

Enclosure: Delinquency Notice

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## State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

PUGH, J. CONRAD 1690 E CANNES WAY SALT LAKE CITY UT 84121

**ATTENTION: J. CONRAD PUGH** 

| DELINQUENCY NOTICE PROJECT NAME  | Annual Permit Fees (July 2004 thru June 2005) |       |              |
|----------------------------------|-----------------------------------------------|-------|--------------|
|                                  | PROJECT ID                                    | ACRES | BILLING DATE |
| KING I                           | S270078                                       | NA    | 06/28/2005   |
| PERMIT TYPE                      | PROJECT STATUS                                |       | ANNUAL FEE   |
| SMALL MINING OPERATION < 5 ACRES | INACTIVE                                      |       | \$ 150       |

| DUE DATE   | AMOUNT DUE |  |
|------------|------------|--|
| 09/09/2005 | \$ 150     |  |

## Please see enclosed instructions for payment.

Please retain this portion for your records. For billing Information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

| ACCOUNT BILLED                                          | DUNT BILLED PROJECT NAME                  |                                     | PROJECT ID |
|---------------------------------------------------------|-------------------------------------------|-------------------------------------|------------|
| PUGH, J. CONRAD                                         | KING I                                    | KING I                              |            |
| DUE DATE ANNUAL FEE AMOUNT DUE                          | FEE NOT ENCLOSED                          | Change of Address  Contact  Address |            |
| 09/09/2005 \$ 150 \$ 150                                | Permittee requests an inspection to close |                                     |            |
| TAX ID OR SOCIAL SECURITY#                              | out this permit.                          |                                     |            |
| DIVISION OF OIL GAS AND MIN<br>1594 WEST NORTH TEMPLE S |                                           | E-mail address                      |            |
| PO BOX 145801<br>SALT LAKE CITY UT 84114-5801           |                                           | State Zip                           |            |
|                                                         |                                           | Phone                               |            |

Please make check payable to:
Division of Oil, Gas and Mining